

**RAINES FELDMAN LLP**

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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiffs,

v.

JOHN V. BIVONA; SADDLE RIVER  
ADVISORS, LLC; SRA MANAGEMENT  
ASSOCIATES, LLC; FRANK GREGORY  
MAZZOLA,

Defendants, and

SRA I LLC; SRA II LLC; SRA III LLC;  
FELIX INVESTMENTS, LLC; MICHELE J.  
MAZZOLA; ANNE BIVONA; CLEAR  
SAILING GROUP IV LLC; CLEAR SAILING  
GROUP V LLC,

Relief Defendants.

Case No.: 3:16-cv-01386-EMC

**TENTH INTERIM  
ADMINISTRATIVE MOTION FOR  
AN ORDER PURSUANT TO LOCAL  
RULE 7-11 FOR THE APPROVAL  
OF FEES AND EXPENSES FOR THE  
SUCCESSION RECEIVER, RAINES  
FELDMAN LLP, AND MILLER  
KAPLAN ARASE LLP FROM APRIL  
1, 2021 THROUGH JUNE 30, 2021**

Date: No Hearing Set  
Time: No Hearing Set  
Judge: Edward M. Chen

**I. Relief Requested**

Pursuant to Local Rule 7-11, through this Motion, the Receiver seeks approval of compensation and reimbursement of expenses for herself and her professionals for the period of April 1, 2021 through June 30, 2021 (“Motion Period”) in the following amounts:

Receiver: Fees \$19,596.00;<sup>1</sup> Costs \$55.50.

Diamond McCarthy LLP (“Diamond McCarthy”): Fees \$4149.60; Costs \$178.39.

Raines Feldman LLP (“Raines Feldman”): Fees \$12,090.00.

Miller Kaplan Arase LLP (“Miller Kaplan”): Fees \$6,227.40.

This Motion is supported by the Declarations of the Receiver, David Castleman of Raines Feldman, and Julia Damasco of Miller Kaplan.

The Receiver has conferred with counsel for the Securities and Exchange Commission (“SEC”), and counsel for Progresso Ventures, and the Receiver is advised that they do not oppose the Motion. A stipulation with all parties was deemed impractical given, among other things, the entry of judgment against defendants and pending bankruptcy of John Bivona. (L.R. 7-11(a)).

**II. Previous Fee Motions**

Fees and expenses have previously been granted as set forth in the addendum to the Receiver’s Declaration, filed concurrently herewith.

As of June 30, 2021, there are outstanding fee holdbacks from the prior fee applications in the following amounts:

Sherwood Partners, Former Receiver	\$144,627.50
Kathy Bazoian Phelps, Receiver	\$108,070.07
<b>Total</b>	<b>\$252,697.57</b>

As of June 30, 2021, the Receiver was currently holding cash in the following amounts in the following accounts:

Checking	\$6,174.82
Brokerage cash sweep	\$1,275,857.70

<sup>1</sup> The Receiver has agreed to a holdback of 20% of this amount (\$3,919.20) and therefore requests authority to pay \$15,676.80.

1	Anna Bivona Funds	\$502,458.27
2	Plan Fund checking	\$250,000.00
	Tax Holding checking	\$250,000.00
3	Palantir Reserve checking	\$250,000.00
	Mongo Reserve checking	\$249,925.00
4	Plan Fund ICS	\$4,127,447.08
5	Tax Holding ICS	\$4,262,686.51
6	Palantir Reserve ICS	\$12,878,630.20

### 7                   **III. Case Status**

8                   The Court approved the Receiver's Plan of Distribution ("Plan") on May 25, 2020  
9  
10                  (Dkt. No. 613). Upon the Plan's approval, the Receiver began taking the steps necessary to  
11                  implement the Plan, including preparing distribution schedules and communicating with  
12                  investors regarding their account information. The Receiver worked with Miller Kaplan to  
13                  address the proper manner of calculating the sale and distributions of the publicly traded  
14                  securities. The Receiver filed a motion seeking Court authority to sell securities to fund the  
15                  Plan Fund and the Tax Holding Account and to make interim distributions to investors holding  
16                  allowed claims. The motion was approved on July 20, 2020 (Dkt. No. 619), and the Receiver  
17                  has largely completed the first interim distributions of publicly traded securities, with just one  
18                  more investor to receive shares when the investor provides necessary account information.

19                The Receiver also sought authority to sell the necessary Palantir shares upon  
20                notification of Palantir's direct listing, and the sales process was completed in early October  
21                2020, resulting in net proceeds to the Estate of \$9,854,109.90. In November 2020, the  
22                Receiver transferred the remaining \$94,419.56 in the money market account into the checking  
23                account. The Receiver sought authority to make an interim distribution to Class 3 Claimants  
24                in the amount of \$7,721,752.95, which was completed in January 2021.

25                The Receiver also sold or distributed the estate's remaining position in Palantir after  
26                the lockup restrictions were lifted, resulting in net proceeds of \$44,042,943.99 for the estate  
27                (largely to pay and reserve for taxes), and the distribution or equivalent of nearly 3,000,000  
28                shares of Palantir to 240 claimants. In June 2021, the Receiver also sold or distributed the

1 estate's remaining position in Airbnb, selling 8,626 shares resulting in net proceeds of  
2 \$1,275,805.29 for the estate and the distribution of the remaining 13,624 shares to claimants.

3 In June 2021, the Receiver made estimated tax payments of \$21,900,000 to the United  
4 States Treasury and \$5,900,000 to the California Franchise Tax Board. Moreover, the  
5 Receiver, with the assistance of Diamond McCarthy, settled the lawsuit against Ben Sabrin for  
6 the return of 6,250 shares of MongoDB, in exchange for cash payments totaling \$402,000.

7 As of June 30, 2021, the receivership estate has \$6,174.82 in cash on hand in a  
8 checking account, \$1,275,857.70 in the cash sweep of its brokerage account (which has since  
9 been paid into the Plan Fund, Tax Holding Account, and Airbnb Reserve pursuant to prior  
10 orders), \$502,458.27 in the segregated Anna Bivona funds, \$4,377,447.08 in the Plan Fund,  
11 \$4,512,686.51 in the Tax Holding Account, \$13,128,630.20 in the Palantir Administrative  
12 Reserve, and \$249,925.00 in the MongoDB Administrative Reserve. There are known accrued  
13 expenses and unpaid expenses of \$42,296.89 through June 30, 2021 for fourth quarter fees and  
14 expenses, and holdbacks of \$252,697.57. Attached to the Declaration of the Receiver as  
15 Exhibit "1" is a financial summary showing the cash status of the estate as of June 30, 2021.  
16 Funds in the amount of \$138,698.57 representing first quarter 2021 fees and expenses were  
17 disbursed during this period. The Standardized Fund Accounting Report required by the SEC  
18 for the first quarter 2021 is attached to the Receiver's Declaration as Exhibit "2."

#### 19 **IV. The Receiver's Fee Request**

20 As detailed in the Declaration of the Receiver, pursuant to the Receiver's proposal for  
21 her appointment, and in recognition of the efficiencies and benefits to the estate, the Receiver  
22 has established separate billing categories for services provided. For services provided with  
23 respect to legal issues, the Receiver has discounted her hourly rate of \$675.00 to \$465.00  
24 (\$425.00 for services up until April 23, 2021, which was increased pursuant to Court approval  
25 as of that date), thereby generating significant savings to the estate. The Receiver has agreed  
26 to charge \$160.00 per hour for herself and her assistants for administrative services. The  
27 billing statements itemizing the services provided and expenses incurred are contained in  
28

Exhibits “3A” and “3B” attached to the Declaration of the Receiver. The Receiver incurred costs of \$55.50 and performed services for each category as follows:

Category / Matter <sup>2</sup>	Hours	Fees
Case Administration (B110 / 2598-00011)	19.90	\$8,947.00
Administrative Services (E124 / 2598-00012)	1.50	\$210.00
Plan Implementation (B320 / 2598-00016)	21.20	\$9,718.00
Fee and Employment Applications (B160)	2.60	\$721.00
<b>TOTAL</b>	<b>45.20</b>	<b>\$19,596.00</b>

The Receiver’s fees are divided as \$4,550.00 incurred while she was at Diamond McCarthy as set forth in Exhibit “3A” and \$15,046.00 while at Raines Feldman as set forth in Exhibit “3B.”

#### **V. Diamond McCarthy’s Fee Request**

As detailed in the Declaration of David Castleman, Diamond McCarthy established billing categories for tasks performed and has significantly discounted its billing rates with senior attorneys capping their hourly rate at \$425.00. Diamond McCarthy was terminated as counsel as of April 22, 2021. The billing statements itemizing the services provided and expenses incurred are attached as Exhibit “4A” to the Castleman Declaration. Diamond McCarthy incurred costs of \$178.39 and performed services for each category are as follows:

Matter	Hours	Fees
Case Administration (2622-00011)	3.60	\$1,344.60
Plan Implementation (2622-00013)	6.60	\$2,805.00
<b>TOTAL</b>	<b>10.20</b>	<b>\$4,149.60</b>

#### **VI. Raines Feldman’s Fee Request**

As detailed in the Declaration of David Castleman, Raines Feldman has established billing categories for tasks performed and has significantly discounted its billing rates with senior attorneys capping their hourly rate at \$465.00. Raines Feldman was appointed as counsel as of April 23, 2021 pursuant to Court order (Doc No. 651). The billing statements

<sup>2</sup> Includes time during the Motion Period when the Receiver was employed by Diamond McCarthy (April 1-22) and by Raines Feldman (April 23-June 30), as set forth in more detail in the Receiver’s declaration.

itemizing the services provided and expenses incurred are attached as Exhibit “4B” to the Castleman Declaration. Raines Feldman performed services for each category are as follows:

Category	Hours	Fees
Case Administration (B110)	6.00	\$2,790.00
Plan Implementation (B320)	20.00	\$9,300.00
<b>TOTAL</b>	<b>26.00</b>	<b>\$12,090.00</b>

#### VII. Miller Kaplan’s Fee Request

As detailed in the Declaration of Julia Damasco and the billing statements attached as Exhibit “5” to her Declaration, Miller Kaplan has incurred \$6,227.40 in fees in connection with providing tax services to the Receiver. The services performed by Miller Kaplan were necessary in implementing the Plan and in finalizing 2020 tax return and making the required estimated tax payments for 2021.

**WHEREFORE**, the Receiver seeks entry of an order granting this Motion in all respects.

Dated: July 26, 2021

RAINES FELDMAN LLP

By: /s/ David Castleman  
David Castleman

*Counsel for Receiver Kathy Bazoian Phelps*